

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------------|---|------------|
| ELECTRONIC APPLICATION OF SANDY HOOK |) | CASE NO. |
| WATER DISTRICT FOR A RATE ADJUSTMENT |) | 2024-00196 |
| PURSUANT TO 807 KAR 5:076 |) | |

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO SANDY HOOK WATER DISTRICT

Sandy Hook Water District (Sandy Hook District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on November 27, 2024. The Commission directs Sandy Hook Water to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Sandy Hook District shall make timely amendment to any prior response if Sandy Hook District obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Sandy Hook District fails or refuses to furnish all or part of the requested information, Sandy Hook District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Sandy Hook District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Sandy Hook District's response to Commission Staff's First Request for Information (Staff's First Request), Items 1c, 6, 7, 9, 14, 17, and 18. Sandy Hook District stated that it had requested the information from the appropriate source and would file the information when it received it. Provide the requested information for each of the items listed as referenced above.

2. Provide the Statement of Adjusted Operations using a table format in Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected.

3. Refer to Sandy Hook District's Application, Attachment 4, Schedule of Adjusted Operations.

a. Provide a breakdown of the revenues that make up Other Water Revenue in the amount of \$28,932.

b. Provide a breakdown of the expenses that make up Miscellaneous Expenses in the amount of \$44,230.

4. Refer to Sandy Hook District's response to Staff's First Request, Item 1a, General Ledger 2023, Account Number 09590-0000, Professional Services.

a. State where this expense is located in the Schedule of Adjusted Operations.

b. Describe the scope of services provided for each amount paid to Bluegrass Engineering shown in the chart below.

c. Provide a copy of the invoice for each amount paid to Bluegrass Engineering shown in the chart below.

d. Refer to the chart below. State whether each amount paid to Bluegrass Engineering should have been capitalized.

e. Refer to the chart below. For each amount paid to Bluegrass Engineering, if Sandy Hook District believes its classification as an expense is proper, explain the reasoning.

f. Refer to the chart below. For each amount paid to Bluegrass Engineering, if the item should have been capitalized, provide the appropriate NARUC depreciation life for it.

| Transaction Date | Description | Number | Posted Date | Amount |
|-------------------|------------------------------------|-----------|-------------|----------------|
| 09590-0000 | Professional Services | | | |
| 01/19/23 | 606 11550 Bluegrass Engineering, P | CK# 18 | 01/19/23 | \$3,371.74 |
| 02/10/23 | 606 11608 Bluegrass Engineering, P | CK# 21 | 02/10/23 | \$7,467.71 |
| 03/17/23 | 606 11679 Bluegrass Engineering, P | CK# 24 | 03/17/23 | \$6,319.72 |
| 04/17/23 | 606 11750 Bluegrass Engineering, P | CK# 26 | 04/17/23 | \$13,487.35 |
| 05/18/23 | 606 11806 Bluegrass Engineering, P | CK# 29 | 05/18/23 | \$3,371.83 |
| 06/02/23 | 606 11839 Bluegrass Engineering, P | CK# 11777 | 06/02/23 | \$14,348.96 |
| 06/27/23 | 606 11881 Bluegrass Engineering, P | CK# 32 | 06/27/23 | \$8,991.56 |
| 06/30/23 | 606 11889 Bluegrass Engineering, P | CK# 11784 | 06/30/23 | \$33,050.62 |
| 07/17/23 | 606 11941 Bluegrass Engineering, P | CK# 34 | 07/17/23 | \$6,743.67 |
| 08/16/23 | 606 12001 Bluegrass Engineering, P | CK# 38 | 08/16/23 | \$11,239.45 |
| 09/28/23 | 606 12088 Bluegrass Engineering, P | CK# 41 | 09/28/23 | \$20,231.01 |
| 10/24/23 | 606 12132 Bluegrass Engineering, P | CK# 43 | 10/26/23 | \$8,991.56 |
| 11/15/23 | 606 12185 Bluegrass Engineering, P | CK# 45 | 11/15/23 | \$24,726.29 |
| 12/27/23 | 606 12266 Bluegrass Engineering, P | CK# 47 | 12/27/23 | \$11,239.49 |
| | Total | | | <u>174,207</u> |

5. Refer to Sandy Hook District's response to Staff's First Request, Item 1a, General Ledger 2023, Account Numbers 09230-0000 and 09240-0000, Computer Maintenance & Repair and System Maintenance & Repair, respectively.

a. Provide copies of each invoice for each item shown in the chart below.

b. Refer to the chart below. Describe each purchase and state whether each item should have been capitalized.

c. Refer to the chart below. If Sandy Hook District believes its classification as an expense is proper, explain the reasoning.

d. Refer to the chart below. If an item should have been capitalized, provide the appropriate NARUC depreciation life for it.

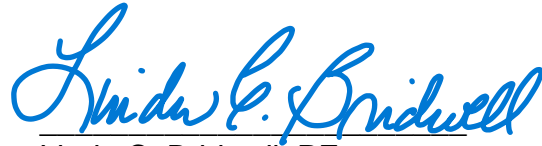
| Transaction Date | Description | Number | Posted Date | Amount |
|-------------------|--|-----------|-------------|-------------|
| 09230-0000 | Computer Maintenance & Repair | | | |
| 03/06/23 | 56 11656 United Systems & Softwar | CK# 38191 | 03/06/23 | \$4,315.00 |
| 09240-0000 | System Maintenance & Repair | | | |
| 06/29/23 | 542 11885 Currens Construction Ser | CK# 38419 | 06/29/23 | \$7,250.00 |
| 08/18/23 | 633 12005 Tri-State Pumps | CK# 38523 | 08/18/23 | \$9,200.00 |
| 12/14/23 | 633 12244 Tri-State Pumps | CK# 38774 | 12/14/23 | \$17,728.72 |

6. Refer to Sandy Hook District's response to Staff's First Request, Item 16, and Sandy Hook District's Tariff. The schedule listing the number of occurrences for each nonrecurring charge that was recorded during the test year provided by Sandy Hook District did not include Meter Re-read Charge and Damage to Meter. Explain why these two charges were omitted and provide the total amount recorded for each, along with each of the cost justification sheets.

7. Refer to Sandy Hook District's response to Staff's First Request, Item 15, and Item 1a, General Ledger 2023, Account Number 07150-0000, Water Penalty Revenue. Item 15 reported late fees in 2023 of \$94,079 and General Ledger Account Number 07150-0000 reported \$23,162.21 in water penalty revenues. Explain the difference between the late fee amount of \$94,079 and the water penalty revenue amount of \$23,162.21 and provide a description of what constitutes each amount.

8. Refer to Sandy Hook District's response to Staff's First Request, Item 4, Rate Case Payroll Info. The provided information is unclear about Sandy Hook District's expected payroll expenses after the test year. Provide an Excel document that outlines Sandy Hook's proposed Pro Forma wages at full staffing, including any expected hirings to fill a vacancy. The document should list a job title, if it is part or full time, the pay rate, and expected hours worked for each employee. Employee names should be redacted from all documents.

9. Refer to Staff's First Request, Item 9b. If certificates cannot be located, provide a sworn statement regarding the date and location for William Delong's initial water training required pursuant to KRS 74.020(8)(b).



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED NOV 14 2024

cc: Parties of Record

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